

**STATEMENT OF PROCEEDINGS FOR THE  
REGULAR MEETING OF THE  
CITY OF HUNTINGTON PARK OVERSIGHT BOARD**

**CITY OF HUNTINGTON PARK  
CITY COUNCIL CHAMBERS  
6550 MILES AVENUE  
HUNTINGTON PARK, CALIFORNIA, 90255**

**Wednesday, November 12, 2014**

**4:00 PM**

**I. CALL TO ORDER**

**Chair Guerrero called the meeting to order at 4:19 p.m.**

**II. ROLL CALL**

**Present:** Board Member Albert Fontanez, Board Member Richard Verches, Vice Chair Yolanda Duarte and Chair Elba Guerrero

**Absent:** Board Member Luis Buendia, Board Member Katherine Hennigan and Board Member Theresa Villegas

**III. ADMINISTRATIVE MATTERS**

- 1.** Recommendation: Approve the Statement of Proceedings for the September 22, 2014 Special Meeting. (14-5132)

**On motion of Board Member Fontanez, seconded by Board Member Verches, duly carried by the following vote. The Board approved the Statement of Proceedings of September 22, 2014:**

**Ayes:** 4 - Board Member Fontanez, Board Member Verches, Vice Chair Duarte and Chair Guerrero

**Absent:** 3 - Board Member Buendia, Board Member Hennigan and Board Member Villegas

**Attachments:** [SUPPORTING DOCUMENT](#)

- 2.** A Resolution approving a revised Administrative Budget for the Successor Agency for the six-month period of January 1, 2015 through June 30, 2015. (14-5126)

**Julio Morales, Interim City Manager, explained the Administrative Budget has been revised based on direction given to the Successor Agency by the Oversight Board. The Successor Agency has calculated a budget with a "not to exceed amount". Approximately 35% of the budget is composed of legal fees and other administrative expenses.**

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The Successor Agency is anticipating the Administrative Budget to consistently decrease as the winding down process continues over time. Teresa Highsmith, Oversight Board Counsel, clarified in the event the Successor Agency has remaining funds in the budget or unspent cash; the difference will be deducted on the following Administrative Budget.

Board Member Fontanez asked if there will be cost allocated in the budget to account for the Finance Director and Executive Director. Mr. Morales responded by explaining, the cost will be allocated; however, the “not to exceed” amount will produce cost savings because of the lower cost structure.

On motion of Vice Chair Duarte, seconded by Board Member Fontanez, duly carried by the following vote, the Board adopted Resolution No. OSB 2014-08, a Resolution of the Oversight Board of Directors for the Successor Agency to the Community Development Commission of the City of Huntington Park approving a proposed Administrative Budget for the six-month fiscal period from January 1, 2015 through June 30, 2015 and taking certain related actions:

**Ayes:** 4 - Board Member Fontanez, Board Member Verches, Vice Chair Duarte and Chair Guerrero

**Absent:** 3 - Board Member Buendia, Board Member Hennigan and Board Member Villegas

**Attachments:** [SUPPORTING DOCUMENTS](#)

3. Resolution approving a Memorandum of Understanding with Nicholas Alexander setting terms for the Purchase and Sale of the Southland Steel Site. (14-5129)

Prior to discussing the Memorandum of Understanding (MOU) regarding the terms of the Purchase and Sale Agreement of Southland Steel, Julio Morales, Interim City Manager, updated the Oversight Board of the determination by the Department of Finance (DOF) on Line Item 1-2004 Tax Allocation Bonds) of the Recognized Obligation Payment Schedule (ROPS) 14-15B. The DOF declared the 2004 bonds are related to the 1994 bonds. As a result, the DOF denied the arbitrage rebate liability payment the Successor Agency was preparing to pay. This affects the Successor Agency's consideration to refinance their bonds and use the proceeds to pay the arbitrage rebate liability payment. Consequently, the proceeds of the sale of Southland Steel will now be distributed amongst all the taxing entities rather than being used to pay for the arbitrage

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rebate liability payment. The Successor Agency must now request an emergency loan from the City in order to cover the arbitrage payment.

Board Member Verches asked if the Successor Agency plans to appeal the determination by the DOF. Mr. Morales explained, the decision of the DOF's bond counsel concluded there was no justifiable argument linking the 1994 bonds and the 2004 bonds as an enforceable obligation. Teresa Highsmith, Oversight Board legal counsel, asked if the Successor Agency is anticipating future ROPS to have a larger debt service payment in contrast to what the Oversight Board has approved in the past. Mr. Morales noted the debt service payment will increase by approximately \$2 million dollars on the future ROPS.

Mr. Morales explained the Successor Agency has been adamant about not moving forward with the remediation of the Southland Steel site until the DOF approves the process. The Successor Agency and the City Council have approved a contract of approximately \$890,000 for the remediation of the site. Mr. Morales further explained the Successor Agency installed two wells at the site at the request of the Department of Toxic Substances Control (DTSC) to determine the liability for the water contamination.

Ultimately, the Successor Agency will clean up the property because the chances of selling the site without the remediation included will be challenging. Nick Alexander Imports has agreed to pay approximately \$3.2 million for the property as well as \$400,000 to the City of Huntington Park for the remediation of the soil along with the reimbursement of installing and testing groundwater wells. Once the site has been completely corrected it will be released to Nick Alexander Imports. The proceeds from the sale of the property should be equivalent to approximately \$2.3 million.

On motion of Board Member Verches, seconded by Board Member Fontanez, duly carried by the following vote, the Board adopted Resolution No. OSB 2014-10, a Resolution of the Oversight Board of the City of Huntington Park as Successor Agency for the Former Huntington Park Community Development Commission approving a Memorandum of Understanding between the Huntington Park Successor Agency and Alexander Imports regarding the potential disposition of Successor Agency land and environmental soil clean-up to be conducted at the property located at 5959-6161 Alameda Avenue, Huntington Park (Southland Steel Property):

**Ayes:** 4 - Board Member Fontanez, Board Member Verches,  
Vice Chair Duarte and Chair Guerrero

**Absent:** 3 - Board Member Buendia, Board Member Hennigan  
and Board Member Villegas

**Attachments:** [SUPPORTING DOCUMENTS](#)

**IV. MISCELLANEOUS**

4. Public Comment (opportunity for Member of the Public to address the Board on items of interest that are within the Jurisdiction of the Board). (14-5135)

**There were none.**

5. Chair and Board Member Comments. (14-5136)

**There were none.**

6. Matters not posted on the agenda (to be presented and placed on the Agenda for a future meeting). (14-5137)

**There were none.**

7. Adjournment of the Regular Meeting of November 12, 2014. (14-5138)

**The meeting adjourned at 5:00 p.m.**